also have the auditor's comment on that Ministry so that, maybe, a debate can take place on the matters which auditor has found. I don't think there is anything sinister about it. It is just to help the debate.

MR. CHAIRMAN: Second supplementary.

SHRI C. RAMACHANDRAIAH: I am satisifed with the reply from the hon. Minister. I have no supplementary to put.

**Filing of Income-Tax returns**

*184. SHRI ABU ASIM AZMI:

SHRI AMAR SINGH:

Will the Minister of FINANCE be pleased to state:

(a) the number of persons who have filed Income-tax return after the introduction of one-by-six scheme Under Section 139 of the Income Tax Act, 1961, during each year from 2000-01 to 2003-04;

(b) income-tax collected during each of these years under the Scheme;

(c) whether it is a fact that there has been reduction in the number of persons filing return under this category and if so, the reasons therefor; and

(d) whether Government propose to do away with the requirement in respect of those persons whose income is not taxable and if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) A Statement is laid on the table of the House.

***Statement***

(a) The number of persons who have filed Income-tax returns after the introduction of one-by-six scheme under Section 139 of the Income Tax Act, 1961 during the each year from 2000-01 to 2003-04 is as under:

| Financial Year | Total No. of returns filed (including under1/6 scheme) | No. of returns filed under 1/6 scheme |
|---|---|---|
| 2000-01 | 201.69 lakhs | 6.16 lakhs |
| 2001-02 | 244.24 lakhs | 30.59 lakhs |
| 2002-03 | 245.30 lakhs | 4.95 lakhs |
| 2003-04 | 234.25 lakhs | 0.71 lakhs |

(b) Only those persons who are not having taxable income and who

fulfill certain economic criteria specified in one-by-six scheme are required to file their return under the scheme. Therefore, no tax is collected under the scheme.

(c) Yes, Sir. A large number of potential taxpayers started filing returns under the one-by-six scheme after introduction of the scheme. Subsequently, many of them started paying taxes and filing regular returns of income. Consequently the number of returns filed under the one-by-six scheme got reduced. Another reason was removal of 'telephone' from the scheme as one of the criterion w.e.f. 01-04-2002.

(d) No, Sir. The scheme is applicable only to persons not having taxable income who fulfill certain economic criteria specified under the one-by-six scheme. They are required to file returns of income under the one-by-six scheme, being potential tax-payers.

SHRI ABU ASIM AZMI: Sir, I would like to know from the hon. Finance Minister whether the Government of India have verified the returns filed by lakhs of persons who are forced to file their returns under one-by-six scheme and detected any cases or persons who had been wilfully avoiding the filing of returns earlier, if so, the details of such defaulters and what action has been taken against them.

SHRI P. CHIDAMBARAM: Sir, I think, the hon. Member may have misunderstood the purpose of one-by-six scheme. The purpose of one-by-six scheme is not to catch the alleged defaulters. The purpose is to enlarge the tax base. I think the scheme has served its purpose. The tax base has been enlarged. A person filing his return under one-by-six, by definition, is not liable to pay any tax, but may graduate himself to become a taxpayer. As I said, the purpose was very different. Therefore, no penal action has been taken against any one who may have been required to file his tax return under one-by-six scheme but did not file under one-by-six scheme. This is not intended to be a penal provision. It is intended to be a cautionary provision in order to enlarge the tax base and in order to encourage people to file their tax returns.

I think the purpose was served during the period when this was introduced.

SHRI ABU ASIM AZMI: Sir, the Government has made it compulsory for the persons to quote their Permanent Account Number while dealing in sale and purchase of immovable property valued at rupees five lakh or more. In this connection, I would like to know the number of such persons

who had made such transactions during the year 2003-04. I would also like to know whether any assessment of such sales have been made by the Government in order to detect under-valuation of such properties. If so, the details thereof? And, what action has been taken against them?

MR. CHAIRMAN: Question does not arise.

SHRI P. CHIDAMBARAM: I will send the requisite information to the hon. Member. But it has nothing to do with this question.

SHRI SANTOSH BAGRODIA: Sir, I would like to caution the hon. Minister becuase he has just now mentioned that it is not to penalise, not to catch those who are willingly not filing their returns despite they should, under the One-by-six Scheme. Unless you have machinery like this, you will be making a law that you can't implement. How can we justify that kind of law? Secondly, according to this statement, in 2001-02 there were 30 lakh new returns. Then, in his reply to part 'C', he has mentioned some reasons why it has come down. But can he mention that only becuase of 'telephone' how many cases had been filed in the year 2001-02? Then, we can justify; otherwise, if we don't have that information ...(*Interruptions*) One more thing, Sir. (*Interruptions*)

MR CHAIRMAN: Please put your question.

SHRI SANTOSH BAGRODIA: One simple point, Sir. (*Interruptions*) For the last forty-five years, I have been filing my tax returns. But I have never been able to understand what the 'tax return' is. Can the hon. Minister please simplify the tax return so that more people are attracted to file returns.

MR. CHAIRMAN: Next question.

SHRI SANTOSH BAGRODIA: Sir, don't you want the Minister to reply to any of my questions?

MR. CHAIRMAN: It was not a question (*Interruptions*)

SHRI SANTOSH BAGRODIA: It was a question, Sir. (*Interruptions*)

MR. CHAIRMAN: What you have said were all suggestions. (*Interruptions*)

**श्री संतोष बागड़ोदिया:** सर, मैंने कहा कि वर्ष 2001-2002 में टेलीफोन के कारण कितने assesses आए, क्या यह सवाल नहीं है? क्या यह भी सवाल नहीं है कि आप इसे और simplify करेंगे?

**श्री सभापति:** अगर मंत्री जी जवाब दे सकते हैं तो मुझे कोई आपत्ति नहीं है, लेकिन इसका जवाब देना मुश्किल है।

**श्री संतोष बागड़ोदिया:** मंत्री जी, क्या आप इसे और simplify करेंगे, जिससे कि सभी लोग रिटर्न फाइल कर सकें।

**श्री सभापति:** यह तो सजेशन ही है, क्वेश्चन नहीं है। Keeping in view his request, speak something.

SHRI P. CHIDAMBARAM: Do you want a reply on the simplification of tax returns or on the One-by-six Scheme?

SHRI SANTOSH BAGRODIA: On both the things. Or, Whatever you can reply.

MR. CHAIRMAN: He is not interested in replying. (*Interruptions*)

SHRI P. CHIDAMBARAM: Sir, the purpose of the One-by-six Scheme was to enlarge the tax base. And, I believe, that purpose has been served to a reasonable degree. The tax base had indeed increased from what it was in 1996-97 to what we have today, in 2003-04. I don't think we should read more into the scheme. The scheme is not to put fear in people. The scheme is to enlarge the tax base. Now, so far as the simplification of the tax return is concerned, successive Finance Ministers had promised to simplify it, successive Finance Ministers had tried it. But it is still not simple. We will have to wait for the day when my learned friend becomes the Finance Minister.

**Impact of VAT on Tea Industry**

*185. SHRI A. VIJAYARAGHAVAN:
SHRI K. CHANDRAN PILLAI:

Will the Minister of FINANCE be pleased to state:

(a) whether the prices of tea will go up after the implementation of Value Added Tax (VAT) in the present form;

(b) if so, details thereof;

(c) whether any step is initiated to protect the tea industry due to the above increase in price; and

(d) whether steps will be taken to control the increase in price of tea, if any, due to the implementation of VAT?